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Testimony to the Senate Appropriations Committee

December 5, 2012

Introduction

Chairman Kahn and members of the committee, my name is Jackie Doig and I am a Senior Staff Attorney with the Center for Civil Justice (CCJ), a non-profit organization with offices in Flint and Saginaw. We provide a variety of services to low-income people and their advocates in a 14-county region of mid-Michigan and the Thumb. We regularly meet with and work closely with many non-profit human services providers.

I am testifying today in opposition to SB 1386, which creates a new lifetime limit on cash assistance which is unnecessary in light of the legislature's current 48 month limit in the Social Welfare Act.

Michigan already has a Lifetime Time Limit that was adopted in 2007

The Family Independence Program is already a temporary program. Michigan has had a 48 month lifetime limit in place since 2007. The number of exemptions to that time limit were greatly reduced in 2011. Families have known since 2007 that they are subject to time limits, but were promised in writing that certain months did not count toward the limit.

Michigan Caseloads are *Already* Steadily Decreasing

The Family Independence Program Caseloads have steadily decreased since 2007. There is no need to add anything more to current law. The caseloads in 2012 – even with the 60 month policy not going into effect – are lower than they have been any time since 2007. A chart showing this trend is attached.

It is most cost-effective for Parents to Care for Disabled Children at Home

The proposed law would eliminate limits on parents with children whose doctors say that the children require steady care. Paying a parent a FIP grant of about \$400 per month (for 2 people) so that parent can stay home and care for the child is far less expensive to taxpayers than paying for the child to stay in an institutional setting capable of dealing with the child's special needs.

Applying Time Limits and Eliminating Exemptions Retroactively to 1996 is Fundamentally Unfair to Needy Children

From 1996 to 2007, families were told by the legislature and the state agency, that if they complied with all the state work requirements, they would not be cut off even if they had not yet worked their way off of assistance. Parents made decisions about whether to apply or not to apply based on what they were told. Working families who received as little as \$10 per month relied on what the Department said, that it would not count against them. Beginning in 2007 these families were told about the 48 month limit but also were told that certain months would not count toward those limits, such as months before 2007 and months when they were working at a job, or unable to work because of disabilities, or caring for a child if the child's doctors confirmed they needed a parent at home. To punish children now for the rational decisions made by their parents, based on what DHS told them in writing and at orientation meetings, is unconscionable.

Michigan can pay for more than 60 months of FIP entirely with federal TANF funds

During the years 1996-2007, when Michigan had NO time limits at all, any families who received benefits more than 60 months could have their benefits paid entirely by federal TANF block grant spending. That is what Michigan did until October 2011 and is free to do again. Federal law allows states to designate up to 20% of their TANF caseload as 'hardship' cases that can be paid for with 100% federal funds. Even at the height of its TANF caseload, Michigan's hardship cases never came near to 20% of the caseload.

SB 1386 is overbroad: it counts payments made under *any* state program funded by TANF

Federal TANF law considers only months when a family receives a payment from an ongoing cash assistance program. It does not apply to one-time assistance, childcare, emergency assistance, or non-cash programs that even include things like student aid. This reduces the state's flexibility in deciding and when and how to use TANF funding and could prevent working families from ever receiving cash assistance during temporary periods of unemployment.

SB 1386 also prevents parents who are working right now from qualifying for FIP if they become disabled in the future, based on their receipt of assistance in the distant past. Requiring that a parent be exempt from FIP based on a disability at the time this legislation is enacted is arbitrary and unfair.

Michigan is already meeting its fiscal goals of reducing the cash assistance caseload. The legislature has already debated and settled on a 48 month time limit. That limit is reducing the caseload. It is unnecessary to act hastily and without due deliberation to address a problem that does not actually exist.

Thank you for the opportunity to testify. I will be glad to answer any questions you may have. I can be reached at jdoig@ccj-mi.org.

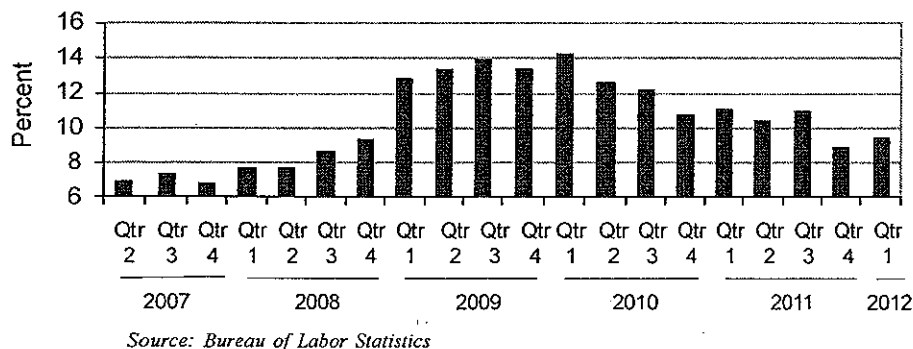


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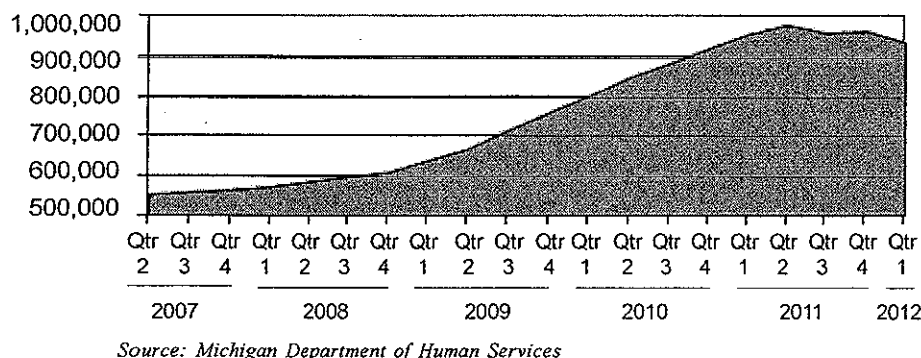
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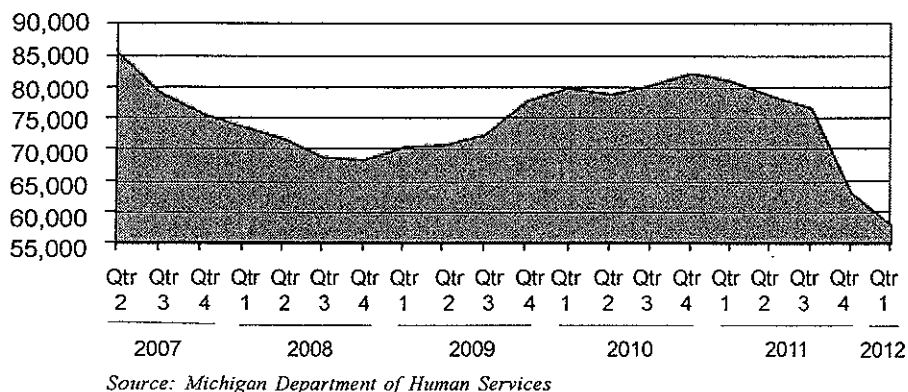
Michigan's Unemployment Rate Over the Past Five Years
(not seasonally adjusted)



Food Assistance Households During the Past Five Years



Family Independence Program Cases During the Past Five Years (Regular FIP only)



Cash Assistance Continues to Drop at Greater Rate than Unemployment

By Peter Ruark
Senior Policy Analyst

Unemployment

Unemployment went down in each county between Quarter 1 of 2011 and 2012, with 35 counties having a decrease of 2 or more percentage points. Several industries had significant job increases during that time, with the number of jobs in metalworking machinery manufacturing and accounting/tax preparation/bookkeeping/payroll services increasing by more than 10 percent.

Public Assistance

Nearly all counties had a decrease in both FIP and Food Assistance cases. Isabella County decreased its Food assistance caseload by more than half since the previous year, while Monroe and St. Clair counties had the largest FIP decreases of the higher-population counties. Overall, Michigan decreased its Food Assistance cases by almost 56,000 and its FIP cases by 25,000 between Quarter 1 of 2011 and 2012. Statewide, the decrease in FIP cases far exceeded the decrease in unemployed workers during the year (29.5% to 17.8%), so it is apparent that policy changes rather than the uptick in employment drove the decrease in cash assistance.